



**Homeland  
Security**

**ODP Information Bulletin  
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**TO:** All State Administrative Agency Heads  
All State Administrative Agency Points of Contact  
All Urban Areas Security Initiative Points of Contact  
All ODP Training Partners

**FROM:** C. Suzanne Mencer  
Executive Director

**SUBJECT:** Updates to the Department of Homeland Security (DHS) Fiscal Year 2005  
Homeland Security Grant Program (HSGP) Program Guidelines and Application  
Kit

The Fiscal Year 2005 HSGP Program Guidelines and Application Kit was released on December 2, 2004. This information bulletin provides several important clarifications and updates to that guidance. An updated version of the FY05 HSGP Program Guidance and Application Kit can be accessed and downloaded at [http://www.ojp.gov/odp/whatsnew/whats\\_new.htm](http://www.ojp.gov/odp/whatsnew/whats_new.htm). Grantees should rely upon this attached updated version of the guidance, labeled *Version 2.0, 12-22-04* on the inside cover of the document and at the top of each page.

**Funding Allocations.** Within the Program Guidance and Application Kit, *Table 1: FY05 HSGP Funding Allocations* on page 2 has an apparent discrepancy between each state's program funding allocations and the total allocation. The apparent discrepancy for each state is no greater than plus or minus \$3. All numbers in the table are rounded to the nearest whole dollar, which creates the apparent discrepancy that the sum of the program allocations may not equal the total allocation for each state. However, the total allocation per state in Table 1 is the **correct** allocation and is the amount that should be entered when applying through the online Grants Management System, which does not accept cents in the input field.

**MMRS Jurisdictions.** An error was made in identifying FY05 MMRS jurisdictions and allocations. The MMRS jurisdiction of Albuquerque, NM was omitted from the list of MMRS jurisdictions and Columbia, NC, which is not an MMRS jurisdiction, was incorrectly added to the list. The FY05 MMRS program is allocated to the same FY03 and FY04 MMRS jurisdictions. Therefore, *Table 3: FY05 MMRS Jurisdictions* on page 8 has been corrected to include Albuquerque, NM, and delete Columbia, NC. The current North Carolina MMRS jurisdictions of Charlotte, Greensboro, and Raleigh remain intact for the FY05 MMRS list. In addition, Table 1 is corrected to allocate \$227,592 (instead of \$0) to New Mexico for MMRS and \$682,776 (instead of \$910,368) to North Carolina for MMRS. The total HSGP allocation for

New Mexico and North Carolina has also been updated to reflect this correction. MMRS allocations to all other states and MMRS jurisdictions are unaffected by this correction.

**Interest-bearing Accounts.** The *Drawdown of Funds* section on page 22 has been updated with additional guidance regarding funds placed in an interest-bearing account. The updated HSGP states that a grantee or subgrantee may keep interest amounts up to \$100 per year for administrative expenses, and should consult the *OJP Financial Guide* or the applicable OMB Circular for additional guidance. Finally, State grantees are subject to the interest requirements of the Cash Management Improvement Act (CMIA) and its implementing regulations at 31 CFR Part 205. Interest under CMIA will accrue from the time Federal funds are credited to a State account until the time the State pays out the funds to a subgrantee or otherwise for program purposes.

**Operational Costs.** Both the Urban Areas Security Initiative (UASI) and the Law Enforcement Terrorism Prevention Program (LETPP) allow for up to 25% of the gross award amount to be used in support of select operational activities. Three categories of operational activities are allowable under both UASI and LETPP:

- Operational overtime costs associated with increased security measures at critical infrastructure sites during periods of heightened alert
- Overtime costs for personnel to participate in information, investigative, and intelligence sharing activities specifically related to homeland security
- Hiring of contractors/consultants for participation in information/intelligence sharing groups or intelligence fusion centers

Additional information on allowable operational costs is available on page 26.

**Overtime, Backfill, and Hiring Guidance.** The overtime, backfill, and hiring section on page 40 has been clarified to clearly communicate that grantees are permitted to hire or laterally move existing public safety officers to new positions that support allowable HSGP program activities. In the case of lateral transfers, grant funds may only be used to support those positions that are allowable under FY05 HSGP program guidance; all non-supplanting rules apply. In addition, positions created and/or funded through ODP grants may continue to be supported with future year funding provided that the position is dedicated to the same or similar purposes allowable under applicable ODP program guidance.

Unallowable costs guidance has been clarified to read that funds may not be used to support the hiring of sworn public safety officers for the purposes of fulfilling traditional public safety duties or to supplant traditional public safety positions and responsibilities.

**Homeland Security Assistance for Nonprofit Organizations.** The 60-day pass-through requirements for the nonprofit allocations under UASI program outlined on page 21 have been updated. Current guidance directs the state to issue a solicitation within 60 days of the award date through which organizations can apply for funds allocated under the UASI program for nonprofit organizations. Eligible nonprofit organizations will submit applications to the state

which will make subgrant awards to selected individual nonprofit organizations in amounts not to exceed \$100,000.

**Emergency Management Performance Grants (EMPG) and Construction.** While the primary purpose of the EMPG program is not to support construction activities, DHS recognizes that an updated, functioning emergency operations center (EOC) is a core component of an effective emergency management system. Therefore, limited construction and renovation activities for EOCs are allowable under EMPG in the FY05 HSGP. (See Construction and Renovation Guidance on page 38 for additional details.) This provision is consistent with past practices under EMPG.

States wishing to expend EMPG funds on limited construction and renovation projects must formally request written approval from ODP in advance. The request must be directed to their assigned ODP Preparedness Officer and must address the following issues:

- Description of the EOC facility, location, and the scope of the construction or renovation project
- Certification that an assessment has been conducted to identify EOC needs regarding such issues as the facility, communications capability, computer systems and network capabilities, survivability, and sustainability
- How the construction or renovation project will address the needs identified from the assessment
- Consequences of not implementing the construction or renovation project

The State must match 50% of any money used for construction and must comply with the Davis-Bacon Act.

States must also comply with all National Environmental Policy Act (NEPA) requirements. Grantees wishing to use ODP funding for construction projects must complete and submit a NEPA Compliance Checklist to their respective ODP Preparedness Officer for review. Additionally, grantees may be required to provide additional detailed information on the activities to be conducted, locations, sites, possible construction activities, possible alternatives, and any environmental concerns that may exist. Results of the NEPA Compliance Review could result in a project not being approved for ODP funding, the need to perform an Environmental Assessment (EA) or draft an Environmental Impact Statement (EIS).

**EMPG Equipment.** Table 8 on page 89 defines equipment as non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. This definition stems from *OMB Circular A-87* and is a federal classification used in this context for definitional purposes only. Equipment items allowed under EMPG is further detailed on page 89 and in the Authorized Equipment List housed on the Responder Knowledge Base ([www.rkb.mipt.org](http://www.rkb.mipt.org)).

**Allowable Management and Administrative (M&A) Costs.** Updated M&A guidance on page 25 allows states to pass through a portion of the state M&A allocation to local subgrantees in order to supplement the 2.5% M&A allocation allowed on subgrants. However, no more than

3% of the total subaward may be expended by subgrantees on M&A costs. In addition, overtime and backfill costs related to allowable M&A costs are eligible as *Allowable M&A Costs* in *Appendix A: Authorized Program Expenditures*.

**Allowable Planning Costs.** Overtime and backfill costs related to planning activities for the development and implementation of programs under HSGP are eligible as *Allowable Planning Costs* in the updated HSGP. Please see *Appendix A: Authorized Program Expenditures* for additional information.

**Biannual Strategy Implementation Reports (BSIR).** The BSIR guidance on page 60 and in *Appendix D: Guidance for Initial Strategy Implementation Plan and Biannual Strategy Implementation Report* has been updated to reflect that the BSIR will satisfy the narrative requirement in Box 12 of the biannual Categorical Assistance Progress Reports (CAPR).

For additional information, please contact your Preparedness Officer or the ODP Helpline at 1-800-368-6498.